

# **ATTACHMENT**

***September 18, 2012***  
**Board Meeting**

**Agenda Item**  
**# 9**

ELK GROVE UNIFIED SCHOOL DISTRICT

Finance & School Support

# 2011-12 UNAUDITED ACTUALS FINANCIAL REPORT

Board of Education



September 18, 2012



Presented by:

Rich Fagan, Associate Superintendent

Finance & School Support

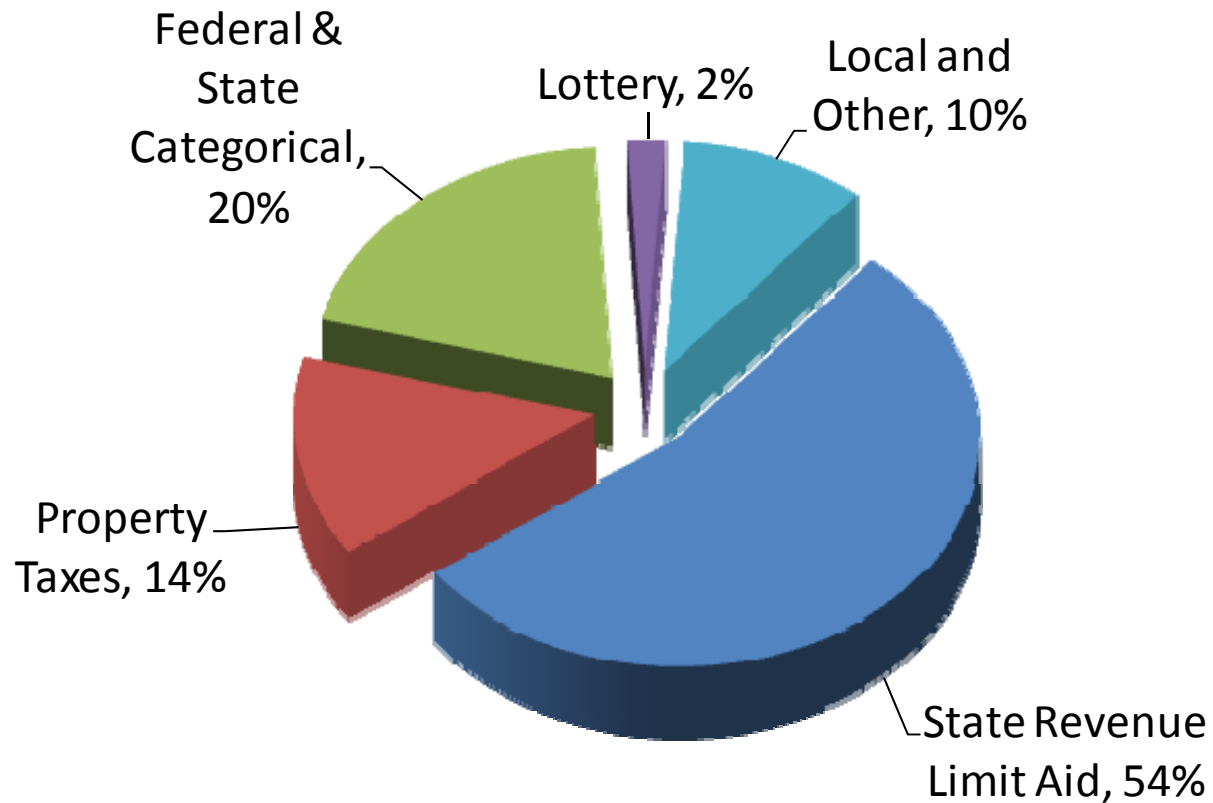
# Presentation Overview



- 2011-12 Unaudited Actuals Revenue & Expenditure Charts
- Revenue Limit History
- 2011-12 Changes from Estimated Actuals
- 2011-12 Unaudited Actuals
- Other District Considerations
- Next Steps

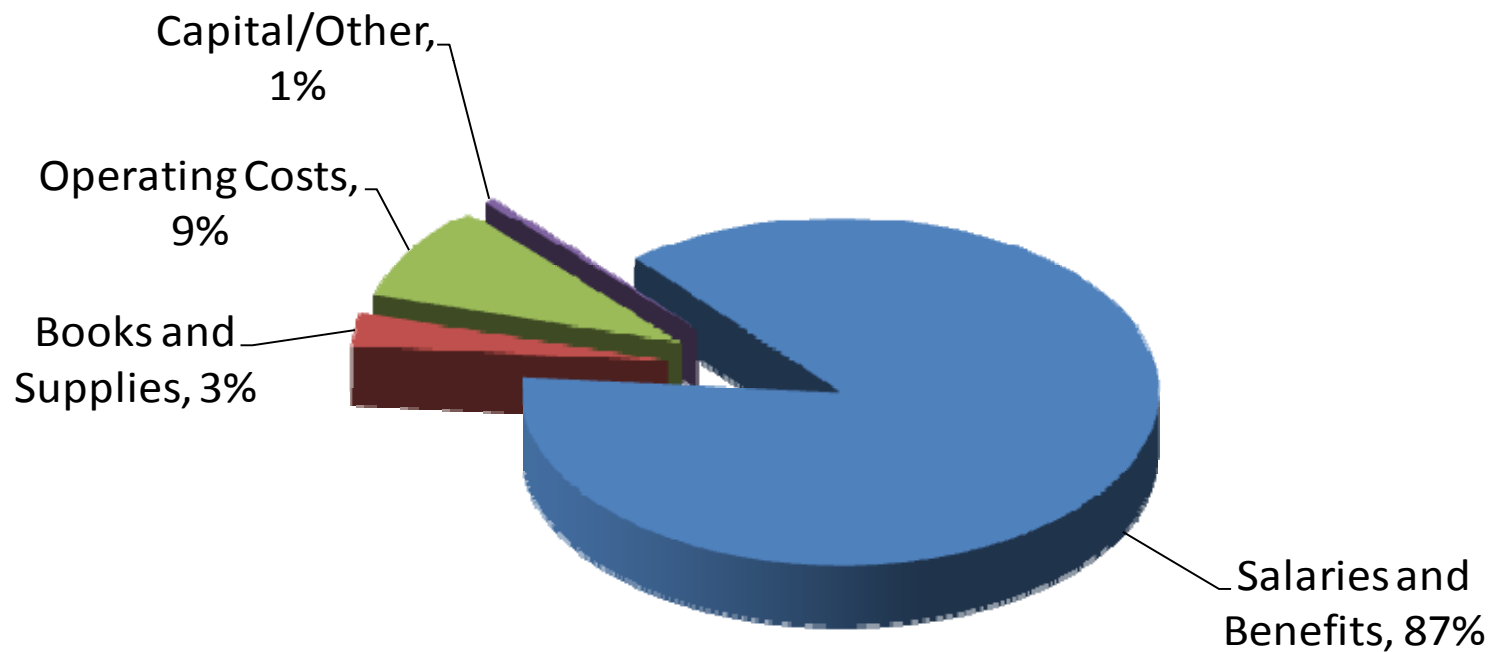
# Financial Revenue Data

## TOTAL GENERAL FUND (Unrestricted & Restricted) 2011-12 Revenue Resources



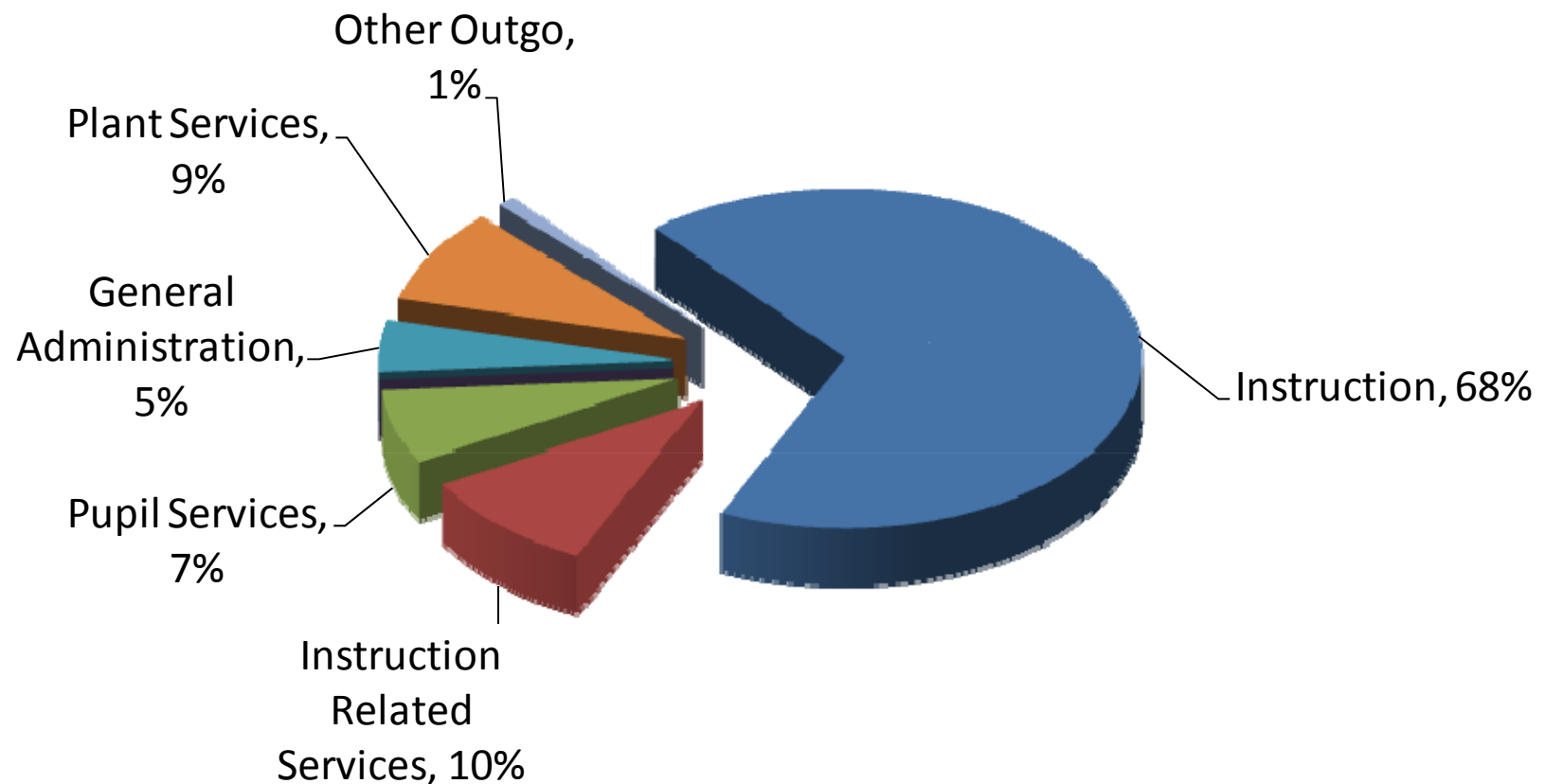
# Financial Expenditure Data

## TOTAL GENERAL FUND (Unrestricted & Restricted) 2011-12 Expenditures



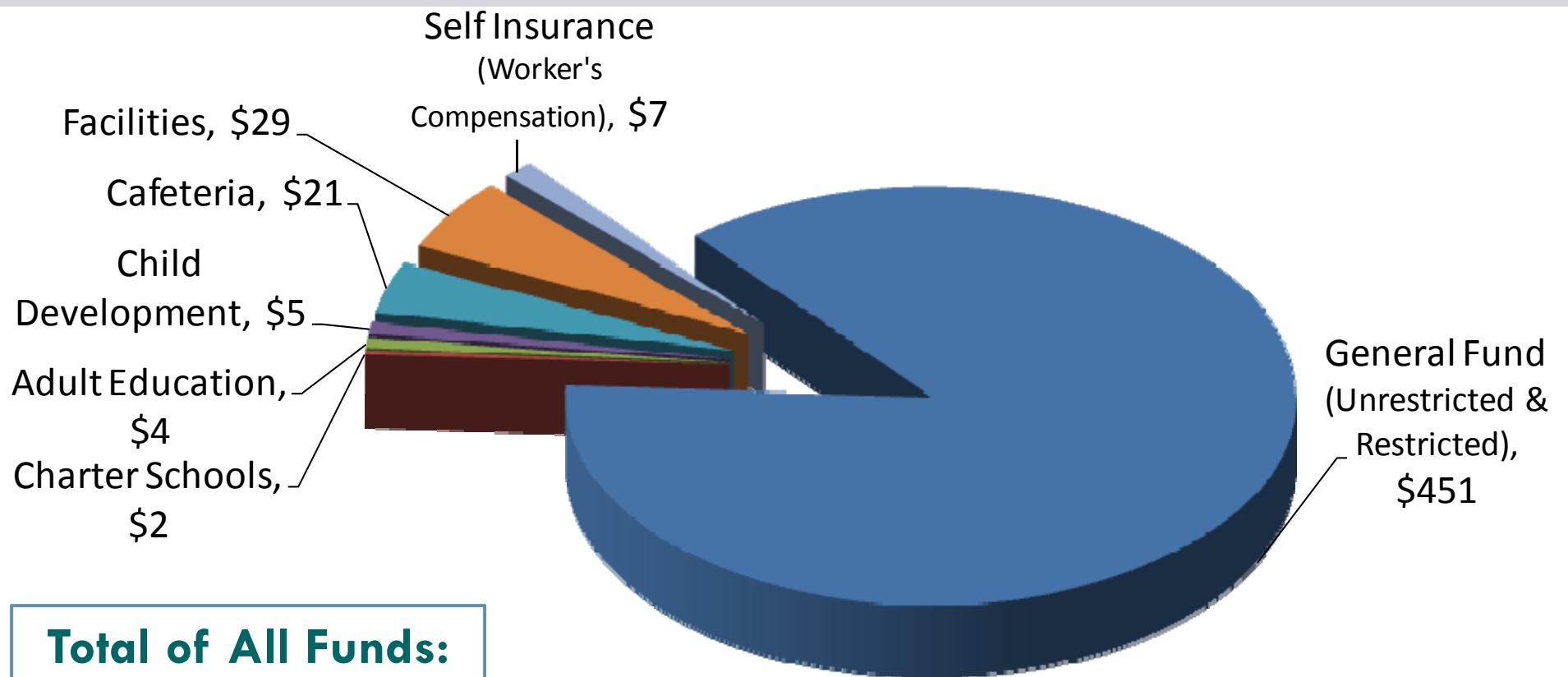
# Financial Expenditure Data

## TOTAL GENERAL FUND (Unrestricted & Restricted) 2011-12 Expenditures by Function



# Financial Expenditure Data

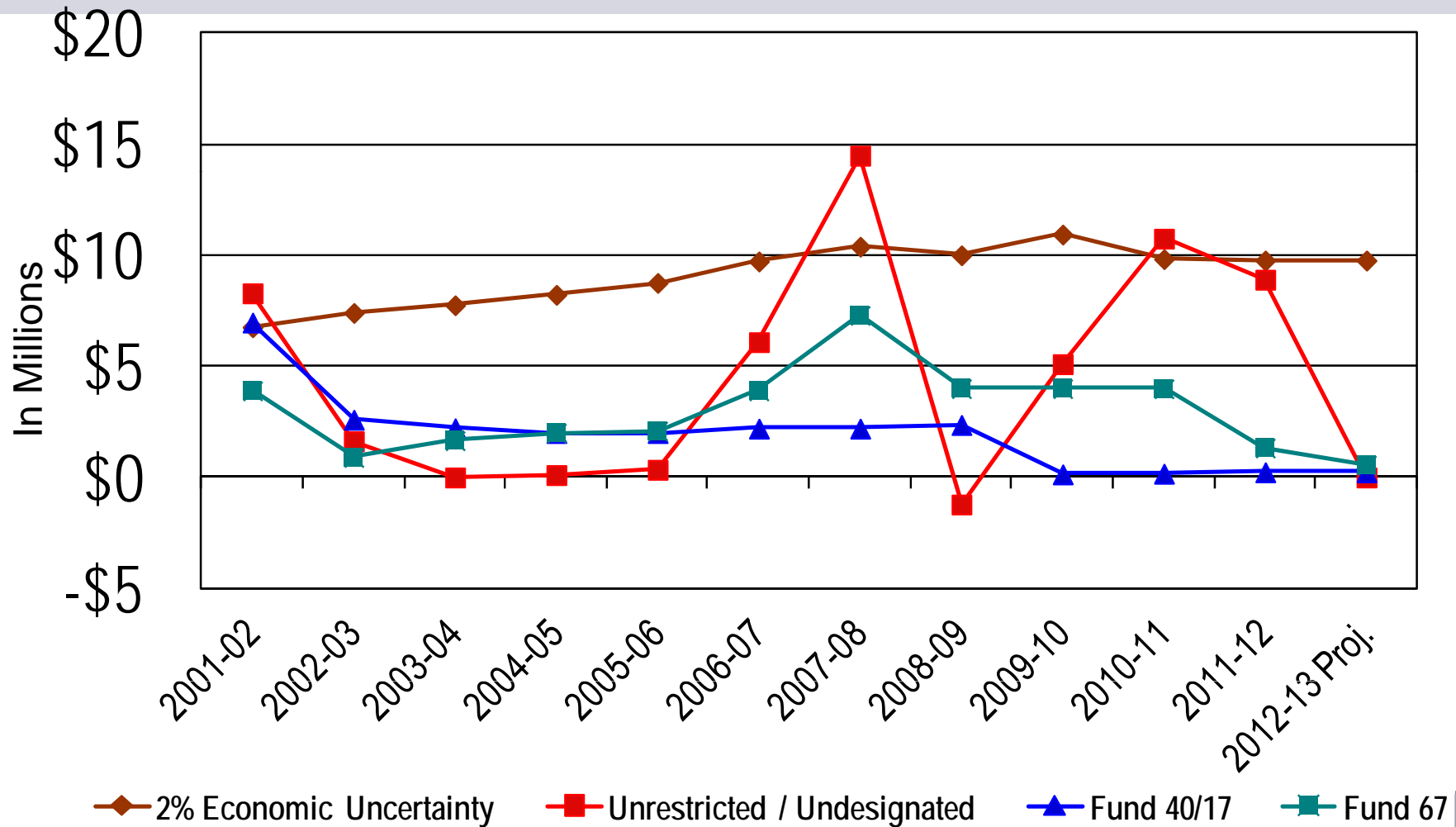
## 2011-12 EXPENDITURES BY FUND (\$million)



**Total of All Funds:**  
**\$519M**

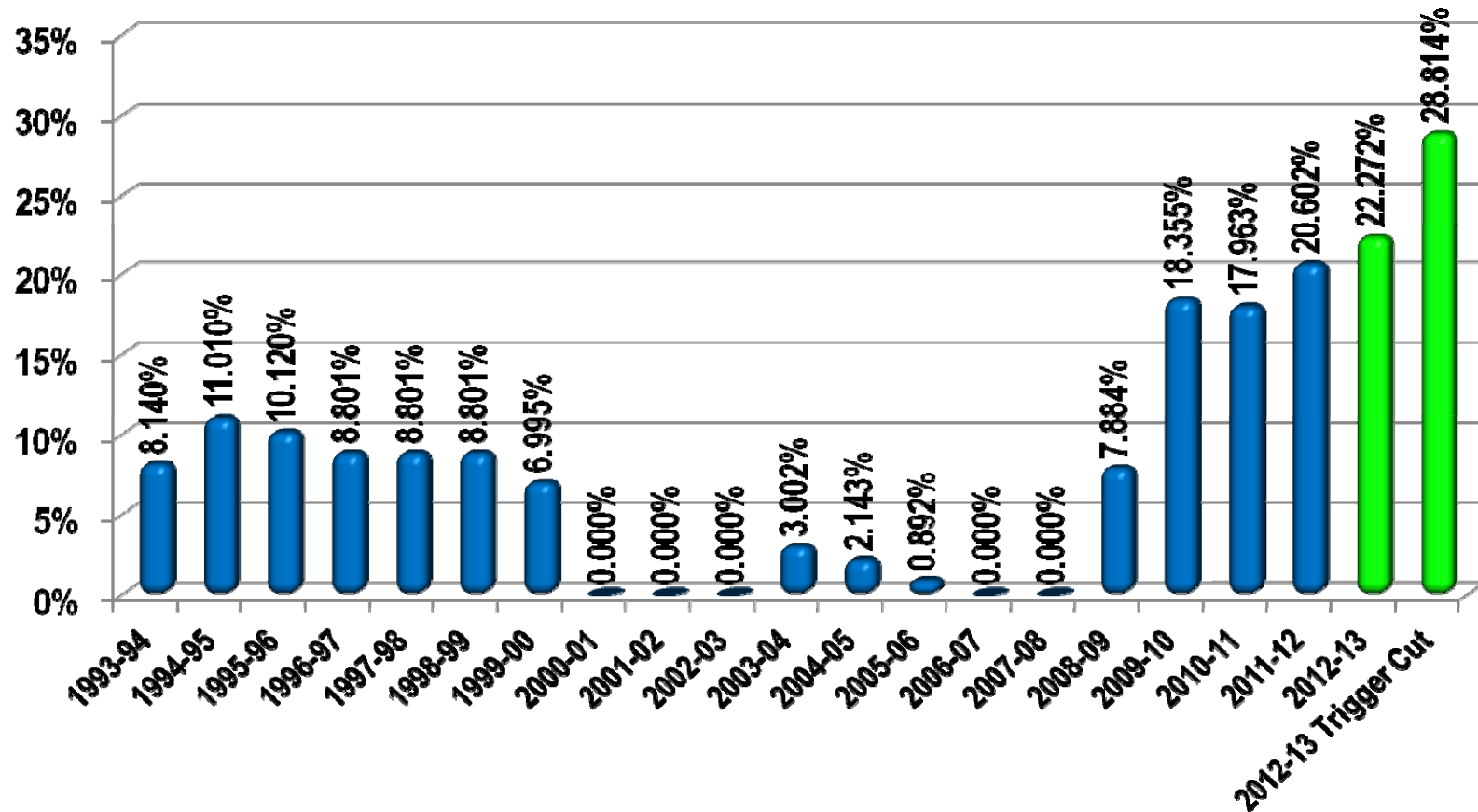
# Financial Trend Data

## RESERVES

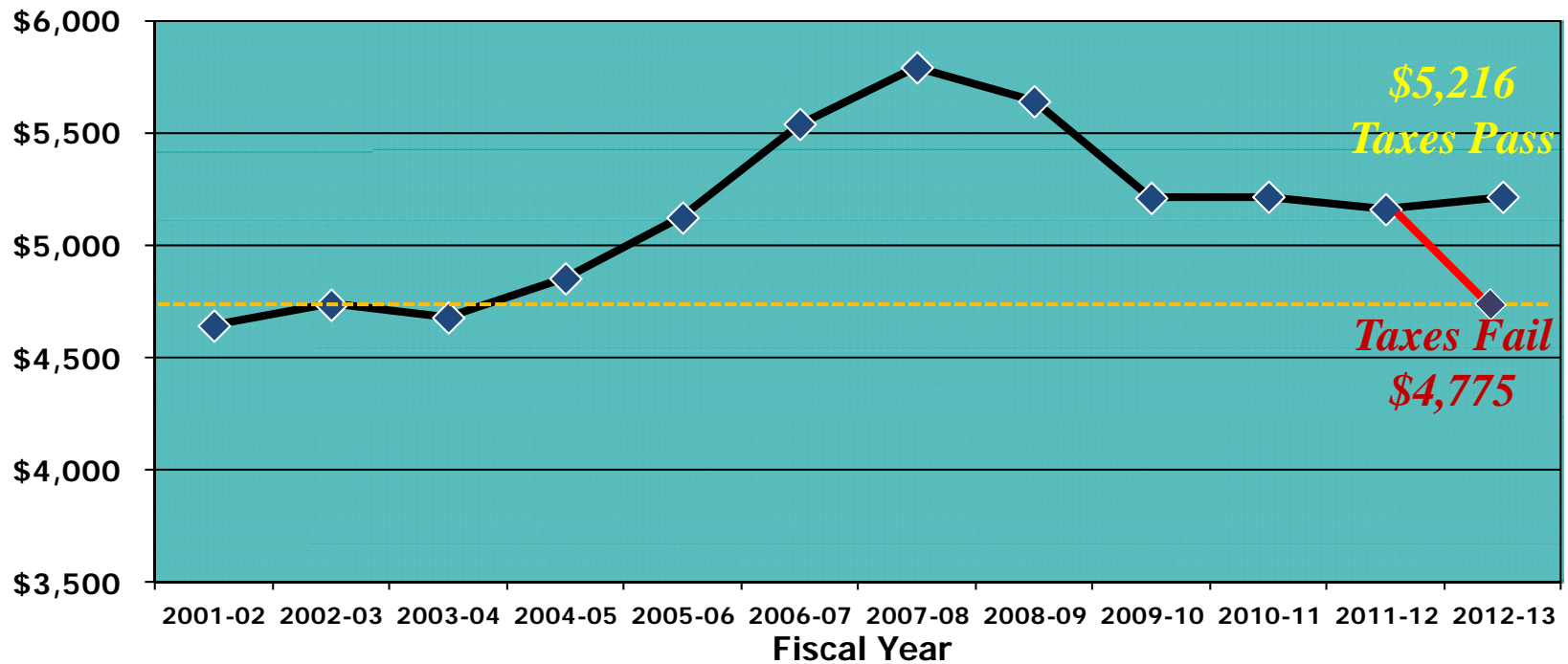




# Revenue Limit Deficit Factors



# Revenue Limit Per ADA



# Projected Year End to Unaudited Actuals Comparison

## UNRESTRICTED GENERAL FUND OPERATIONS (millions)

### 2011-12 Results of Operations

Salaries & Benefits	(\$3.4m)
Supplies, Utilities & Contracted Services	\$1.5m
Indirect Costs – Other Funds	<u>\$0.5m</u>
Total	(\$1.4m)

### 2011-12 Restricted Contribution Differences

Increased Contribution to Special Education	(\$3.0m)
Reduced Contribution to RRM	<u>\$1.0m</u>
Total	(\$2.0m)

<u>Net Change</u>	<u>(\$3.4m)</u>
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# Special Education Reconciliation

## Special Education Reconciliation

### Revenue

Foster Youth Home Formula Reduction (\$0.3m)

Special Education Mandate Settlement (\$0.3m) (\$0.6m)

Non-Public School Growth (25 New Students) (\$0.8m)

Non-Public Agency Services Growth (New Preschool) (\$0.6m)

Self Contained Classes (28 New Students) (\$1.0m)

Additional Special Education Contribution (\$3.0m)

# Designated Reserve Details

## 2011-12 UNRESTRICTED GENERAL FUND BALANCE (millions)

Estimated Undesignated Future Year Operations (3 <sup>rd</sup> Int)	\$13.7m
Net Change in Unrestricted General Fund	(\$3.4m)
<u>Less Designated Carryover Reserves:</u>	
ROP/Career Tech Support Reserve	(\$1.0m)
Site Shared Energy Savings	(\$0.1m)
Budget Adjustments/Carryover	<u>(\$0.3m)</u>
Adjusted Change to Unrestricted General Fund Balance	<u>(\$4.8m)</u>
Adjusted Undesignated Future Year Operations	<u>\$8.9m</u>

# 2011-12 Unaudited Actuals

## General Fund - Unrestricted

	Adopted	45 Day Revise	1st Interim	2nd Interim	3rd Interim (Projected Year End)	Unaudited Actuals
Revenue	\$ 326,941,479	\$ 370,844,402	\$ 373,329,461	\$ 369,585,094	\$ 369,652,025	\$ 363,244,384
Contributions/Transfers	(44,365,385)	(44,865,385)	(45,940,542)	(44,569,098)	(44,568,098)	(46,755,406)
Salary and Benefits	(264,164,237)	(292,662,911)	(294,252,640)	(290,265,583)	(292,245,627)	(288,662,473)
Supplies and Operating	(20,990,125)	(20,990,125)	(23,124,990)	(22,966,675)	(20,787,690)	(19,103,758)
Indirect and Transfers	6,144,036	6,144,036	7,101,373	6,919,324	6,583,462	6,531,999
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 3,565,768</b>	<b>\$ 18,470,017</b>	<b>\$ 17,112,662</b>	<b>\$ 18,703,062</b>	<b>\$ 18,634,072</b>	<b>\$ 15,254,746</b>
Beginning Fund Balance	44,537,605	44,537,605	46,812,372	46,812,372	46,812,372	46,812,372
Contingency 2% Reserve	(9,806,449)	(9,806,449)	(9,795,346)	(9,795,346)	(9,795,346)	(9,776,347)
Revenue Limit Reserve (Deferral) 10-11	(14,492,094)	(17,170,646)	(12,456,951)	(17,170,646)	(17,170,646)	(17,170,646)
Revenue Limit Reserve (Deferral) 11-12	(17,170,646)	(17,170,646)	(17,170,646)	(17,170,646)	(17,170,646)	(17,170,646)
Mandated Cost One-time 10-11	(2,924,295)	(2,924,295)	(2,924,295)	(2,924,295)	(2,924,295)	(2,924,295)
Mandated Cost One-time 11-12			(995,337)	(995,337)	(995,337)	(995,337)
SFSF 10-11 One-time Funds	(3,709,889)	(3,709,889)	(3,709,889)	(3,709,889)	(3,709,889)	(3,709,889)
Reserve for Future Year Deficit Spending (incl. Prepaid Expense)		(12,225,697)		(13,749,275)	(13,680,285)	(8,912,782)
Midyear Trigger Possibility			(16,872,570)			
ROP/Career Tech Support Reserve						(1,001,104)
Site Shared Energy Savings						(130,000)
Budget Adjustments/Carryover						(276,072)
<b>UNDESIGNATED BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Previous Board Identified Interests



- ❑ Develop & Implement Multi-year Budget
- ❑ Maintain Fiscal Viability
- ❑ Explore New & Expand Existing Revenue Streams
- ❑ Unfunded Liabilities – EGBERT, Vacation Balances
- ❑ Re-examine Prior Budget Cuts
- ❑ Safety & Regulatory Requirements
- ❑ Protect Academic Programs for the Success of all Students

# Other District Considerations

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- ❑ Tax Initiative Election - November 6, 2012
- ❑ Health Care Cost Increases
- ❑ Negotiations with Bargaining Groups
- ❑ Monitor District Projected Cash Flow
- ❑ Monitor State Revenue Receipts
- ❑ Treat Technology Capital Expenditures Like a Utility Expense



# Next Steps



- 2012-13 1<sup>st</sup> Interim Report                      December 2012
- 2013-14 Governor's Budget Proposal              January 10, 2013
- 2012-13 2<sup>nd</sup> Interim Report                      March 2013

# **ATTACHMENT**

***September 18, 2012***  
**Board Meeting**

**Agenda Item**  
**# 10**

# SACRAMENTO COUNTY OFFICE OF EDUCATION

## PUBLIC DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT

In Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5, and CCR, Title V, Section 15449

Name of School District: **Elk Grove Unified School District**

Name of Bargaining Unit: **California School Employees Association (CSEA)**

Certificated, Classified, Other: **Classified - non-management**

The proposed agreement covers the period beginning: **July 1, 2012** and ending: **June 30, 2013**

(date)

(date)

The Governing Board will act upon the agreement on: **September 18, 2012**

(date)

Note: This form, along with a copy of the proposed agreement, must be submitted to the County Office at least ten (10) working days prior to the date the Governing Board will take action.

### A. Proposed Change in Compensation

Compensation		Annual	Fiscal Impact of Proposed Agreement		
		Cost Prior to	Year 1	Year 2	Year 3
		Proposed Agreement	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
		FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
1	Salary Schedule (This is to include Step and Columns, which is also reported separately in Item 6)	\$13,471,955	\$654,808	\$28,254	\$28,310
			0.048605269	0.043148526	1.00198202
2	Other Compensation Stipends, Bonuses, Longevity, Overtime, Differential, Callback or Standby Pay, etc.	\$0	\$0	\$0	\$0
	Description of other compensation: Lottery Stipend				
3	Statutory Benefits - STRS, PERS, FICA, WE, UI, Medicare, etc.	\$3,270,991	\$160,559	\$6,928	\$6,942
			0.049085717	0.043148526	1.00198202
4	Health/Welfare Plans	\$4,948,441	-\$534,159	\$441,428	\$485,571
5	Total Compensation - Add Items 1 through 4 to equal 5	\$21,691,387	\$281,208	\$476,610	\$520,822
		0	0.012964036	0.021691106	0.023200039
6	Step and Column - Due to movement plus any changes due to settlement. This is a subset of Item No. 1	\$0	\$55,087	\$28,254	\$28,310
7	Total Number of Represented Employees (Use FTEs if appropriate)	570.3153	576.348	576.348	576.348
8	Total Compensation <u>Average</u> Cost per Employee	\$38,034	\$488	\$827	\$904

- 9 . What was the negotiated percentage increase approved? For example, if the increase in "Year 1" was for less than a full year, what is the annualized percentage of that increase for "Year 1"?

N/A

- 10 . Were any additional steps, columns, or range added to the schedule? (If yes, please explain.)

No

- 11 . Please include comments and explanations as necessary. (If more room is necessary, please attach an additional sheet.)

No furlough days for 2012-13 school Year. (10.5 work days were restored). Step and Column raises resume effective July 1, 2012. Lottery check remains frozen for 2012-13 school year.

- 12 . Does this bargaining unit have a negotiated cap for Health & Welfare Yes ☒ No ☐

If yes, please describe the cap amount.

The District's maximum contribution toward medical benefit premium costs shall be 80% of the premium cost for the low cost medical plan offered by the District. Each Bargaining Unit member's contribution toward medical benefit premium costs shall be at 20% of the premium cost from the low cost plan medical plan offered by the District. Unit members shall be responsible for the buy up costs related to selecting a medical plan other than the low cost plan. Each unit member who submits to the District an approved Wellness certification that verifies that the unit member has satisfied all of the Wellness requirements each year shall receive a Wellness Rebate equal to 5% of the total medical premium cost of the District's low cost plan based upon the subscriber level selected for the year. Effective July 1, 2012, unit members may voluntarily elect, in lieu of health and welfare benefit option plan to participate in a different health and welfare benefit plan that provides medical coverage consistent with the District's low cost plan but with reduced dental and vision coverage with 50% premium reduction plan design resulting in a lower total premium cost than the district's low cost health an welfare benefit plan.

- B. Proposed Negotiated Changes in Non-compensation Items (i.e., class size adjustments, staff development days, teacher prep time, classified staffing rations, etc.)

N/A

- C. What are the specific impacts (positive or negative) on instructional and support programs accommodate the settlement? Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (i.e., counselors, librarians, custodial staff, etc.)

N/A

**D. What contingency language is included in the proposed agreement (e.g., reopeners, etc.)?**

CSEA and the District agree to commence negotiations after the November 6, 2012 election for the 2013-14 school year.

**E. Will this agreement create, or decrease deficit financing in the current or subsequent year(s)?**

**"Deficit Financing" is defined to exist when a fund's expenditures and other financing uses exceed its revenue and other financing sources in a given year. If yes, explain the amounts and justification for doing so.**

This agreement will decrease deficit financing in 2012-13.

**F. Identify other major provisions that do not directly affect the district's costs, such as binding arbitrations, grievance procedures, etc.**

N/A

**G. Source of Funding for Proposed Agreement**

**1. Current Year**

N/A

**2. If this is a single year agreement, how will the ongoing cost of the proposed agreement be funded in subsequent years (i.e., what will all the district to afford this contract)?**

N/A

**3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)**

N/A

## H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

### Unrestricted General Fund CSEA

Enter Bargaining Unit:

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 6/19/12)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$290,872,689			\$290,872,689
Remaining Revenues (8100-8799)	\$54,014,626			\$54,014,626
<b>TOTAL REVENUES</b>	<b>\$344,887,315</b>	<b>\$0</b>	<b>\$0</b>	<b>\$344,887,315</b>
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$192,253,460			\$192,253,460
Classified Salaries (2000-2999)	\$34,151,977			\$34,151,977
Employee Benefits (3000-3999)	\$81,971,766			\$81,971,766
Books and Supplies (4000-4999)	\$3,504,388			\$3,504,388
Services, Other Operating Expenses (5000-5999)	\$16,730,849			\$16,730,849
Capital Outlay (6000-6999)	\$0			\$0
Other Outgo (7100-7299) (7400-7499)	\$182,908			\$182,908
Direct Support/Indirect Cost (7300-7399)	-\$6,686,221			-\$6,686,221
Other Adjustments				\$0
<b>TOTAL EXPENDITURES</b>	<b>\$322,109,127</b>	<b>\$0</b>	<b>\$0</b>	<b>\$322,109,127</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$22,778,188</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,778,188</b>
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>				<b>\$0</b>
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	<b>-\$1,705,797</b>			<b>-\$1,705,797</b>
<b>CONTRIBUTIONS (8980-8999)</b>	<b>-\$46,849,535</b>			<b>-\$46,849,535</b>
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	<b>-\$25,777,144</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$25,777,144</b>
<b>BEGINNING BALANCE</b>	<b>\$65,434,976</b>			<b>\$65,434,976</b>
Prior-Year Adjustments/Restatements (9793/9795)				\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	<b>\$39,657,832</b>	<b>\$0</b>	<b>\$0</b>	<b>\$39,657,832</b>
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$306,449			\$306,449
Reserved for Economic Uncertainties (9789)	\$9,500,000			\$9,500,000
Designated Amounts (9780)	\$29,851,383			\$29,851,383
Unappropriated Amounts (9790)	\$0	\$0	\$0	\$0

\* Please see question on page 7.

## H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

### Restricted General Fund CSEA

Enter Bargaining Unit:

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 6/19/12)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$6,351,084			\$6,351,084
Remaining Revenues (8100-8799)	\$79,635,596			\$79,635,596
<b>TOTAL REVENUES</b>	<b>\$85,986,680</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85,986,680</b>
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$40,349,152			\$40,349,152
Classified Salaries (2000-2999)	\$24,616,396			\$24,616,396
Employee Benefits (3000-3999)	\$28,598,335			\$28,598,335
Books and Supplies (4000-4999)	\$9,593,151			\$9,593,151
Services, Other Operating Expenses (5000-5999)	\$23,316,302			\$23,316,302
Capital Outlay (6000-6999)	\$131,461			\$131,461
Other Outgo (7100-7299) (7400-7499)	\$1,769,689			\$1,769,689
Direct Support/Indirect Cost (7300-7399)	\$5,295,327			\$5,295,327
Other Adjustments				\$0
<b>TOTAL EXPENDITURES</b>	<b>\$133,669,813</b>	<b>\$0</b>	<b>\$0</b>	<b>\$133,669,813</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>-\$47,683,133</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$47,683,133</b>
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	<b>\$0</b>			<b>\$0</b>
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	<b>\$0</b>			<b>\$0</b>
<b>CONTRIBUTIONS (8980-8999)</b>	<b>\$46,849,535</b>			<b>\$46,849,535</b>
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	<b>-\$833,598</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$833,598</b>
<b>BEGINNING BALANCE</b>	<b>\$14,067,450</b>			<b>\$14,067,450</b>
Prior-Year Adjustments/Restatements (9793/9795)				\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	<b>\$13,233,852</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,233,852</b>
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$13,233,852			\$13,233,852
Reserved for Economic Uncertainties (9789)				\$0
Designated Amounts (9780)				\$0
Unappropriated Amounts (9790)	\$0	\$0	\$0	\$0

\* Please see question on page 7.

## H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

### Combined General Fund CSEA

Enter Bargaining Unit:

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 6/19/12)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$297,223,773	\$0	\$0	\$297,223,773
Remaining Revenues (8100-8799)	\$133,650,222	\$0	\$0	\$133,650,222
<b>TOTAL REVENUES</b>	<b>\$430,873,995</b>	<b>\$0</b>	<b>\$0</b>	<b>\$430,873,995</b>
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$232,602,612	\$0	\$0	\$232,602,612
Classified Salaries (2000-2999)	\$58,768,373	\$0	\$0	\$58,768,373
Employee Benefits (3000-3999)	\$110,570,101	\$0	\$0	\$110,570,101
Books and Supplies (4000-4999)	\$13,097,539	\$0	\$0	\$13,097,539
Services, Other Operating Expenses (5000-5999)	\$40,047,151	\$0	\$0	\$40,047,151
Capital Outlay (6000-6999)	\$131,461	\$0	\$0	\$131,461
Other Outgo (7100-7299) (7400-7499)	\$1,952,597	\$0	\$0	\$1,952,597
Direct Support/Indirect Cost (7300-7399)	-\$1,390,894	\$0	\$0	-\$1,390,894
Other Adjustments	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$455,778,940</b>	<b>\$0</b>	<b>\$0</b>	<b>\$455,778,940</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>-\$24,904,945</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$24,904,945</b>
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	<b>-\$1,705,797</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$1,705,797</b>
<b>CONTRIBUTIONS (8980-8999)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	<b>-\$26,610,742</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$26,610,742</b>
<b>BEGINNING BALANCE</b>	<b>\$79,502,426</b>			<b>\$79,502,426</b>
Prior-Year Adjustments/Restatements (9793/9795)	\$0			\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	<b>\$52,891,684</b>	<b>\$0</b>	<b>\$0</b>	<b>\$52,891,684</b>
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$13,540,301	\$0	\$0	\$13,540,301
Reserved for Economic Uncertainties (9789)	\$9,500,000	\$0	\$0	\$9,500,000
Designated Amounts (9780)	\$29,851,383	\$0	\$0	\$29,851,383
Unappropriated Amounts - Unrestricted (9790)	\$0	\$0	\$0	\$0



## H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

Enter Fund:  
Enter Bargaining Unit:

FUND 11 - ADULT EDUCATION  
CSEA

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 6/19/12)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)		\$0	\$0	\$0
Remaining Revenues (8100-8799)	\$3,605,309	\$0	\$0	\$3,605,309
<b>TOTAL REVENUES</b>	\$3,605,309	\$0	\$0	\$3,605,309
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$1,537,477		\$0	\$1,537,477
Classified Salaries (2000-2999)	\$1,061,902	\$0	\$0	\$1,061,902
Employee Benefits (3000-3999)	\$990,672	\$0	\$0	\$990,672
Books and Supplies (4000-4999)	\$356,789	\$0	\$0	\$356,789
Services, Other Operating Expenses (5000-5999)	\$274,489	\$0	\$0	\$274,489
Capital Outlay (6000-6999)	\$0	\$0	\$0	\$0
Other Outgo (7100-7299) (7400-7499)	\$0	\$0	\$0	\$0
Direct Support/Indirect Cost (7300-7399)	\$149,906	\$0	\$0	\$149,906
Other Adjustments	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	\$4,371,235	\$0	\$0	\$4,371,235
<b>OPERATING SURPLUS (DEFICIT)</b>	-\$765,926	\$0	\$0	-\$765,926
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	\$800,000	\$0	\$0	\$800,000
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	\$0	\$0	\$0	\$0
<b>CONTRIBUTIONS (8980-8999)</b>	\$0	\$0	\$0	\$0
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	\$34,074	\$0	\$0	\$34,074
<b>BEGINNING BALANCE</b>	\$2,319,846			\$2,319,846
Prior-Year Adjustments/Restatements (9793/9795)	\$0			\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	\$2,353,920	\$0	\$0	\$2,353,920
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$1,001,381	\$0	\$0	\$1,001,381
Reserved for Economic Uncertainties (9770)	\$0	\$0	\$0	\$0
Board Designated Amounts (9775-9780)	\$1,352,539	\$0	\$0	\$1,352,539
Unappropriated Amounts (9790)	\$0	\$0	\$0	\$0

\* Please see question on page 7.

## H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

Enter Fund: **FUND 12 - CHILD DEVELOPMENT**  
Enter Bargaining Unit: **CSEA**

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 6/19/12)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$0	\$0	\$0	\$0
Remaining Revenues (8100-8799)	\$4,530,172	\$0	\$0	\$4,530,172
<b>TOTAL REVENUES</b>	\$4,530,172	\$0	\$0	\$4,530,172
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$1,446,027		\$0	\$1,446,027
Classified Salaries (2000-2999)	\$932,446	\$0	\$0	\$932,446
Employee Benefits (3000-3999)	\$1,027,814	\$0	\$0	\$1,027,814
Books and Supplies (4000-4999)	\$57,688	\$0	\$0	\$57,688
Services, Other Operating Expenses (5000-5999)	\$933,831	\$0	\$0	\$933,831
Capital Outlay (6000-6999)	\$0	\$0	\$0	\$0
Other Outgo (7100-7299) (7400-7499)	\$0	\$0	\$0	\$0
Direct Support/Indirect Cost (7300-7399)	\$211,553	\$0	\$0	\$211,553
Other Adjustments	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	\$4,609,359	\$0	\$0	\$4,609,359
<b>OPERATING SURPLUS (DEFICIT)</b>	-\$79,187	\$0	\$0	-\$79,187
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	\$79,187	\$0	\$0	\$79,187
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	\$0	\$0	\$0	\$0
<b>CONTRIBUTIONS (8980-8999)</b>	\$0	\$0	\$0	\$0
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	\$0	\$0	\$0	\$0
<b>BEGINNING BALANCE</b>	\$76,245			\$76,245
Prior-Year Adjustments/Restatements (9793/9795)	\$0			\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	\$76,245	\$0	\$0	\$76,245
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$74,727	\$0	\$0	\$74,727
Reserved for Economic Uncertainties (9770)		\$0	\$0	\$0
Board Designated Amounts (9775-9780)	\$1,518	\$0	\$0	\$1,518
Unappropriated Amounts (9790)	\$0	\$0	\$0	\$0

\* Please see question on page 7.

**I. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS**

Enter Bargaining Unit:		Combined General Fund CSEA		
	2012-13	2013-14	2014-15	
	Total Current Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement	
REVENUES				
Revenue Limit Sources (8010-8099)	\$297,223,773	\$295,424,502	\$295,365,875	
Remaining Revenues (8100-8799)	\$133,650,222	\$123,610,259	\$124,071,513	
TOTAL REVENUES	\$430,873,995	\$419,034,761	\$419,437,388	
EXPENDITURES				
Certificated Salaries (1000-1999)	\$232,602,612	\$217,406,700	\$220,353,276	
Classified Salaries (2000-2999)	\$58,768,373	\$58,324,894	\$58,733,550	
Employee Benefits (3000-3999)	\$110,570,101	\$109,578,197	\$116,688,120	
Books and Supplies (4000-4999)	\$13,097,539	\$13,053,962	\$13,226,027	
Services, Other Operating Expenses (5000-5999)	\$40,047,151	\$41,049,955	\$42,137,847	
Capital Outlay (6000-6999)	\$131,461	\$131,461	\$131,461	
Other Outgo (7100-7299) (7400-7499)	\$1,952,597	\$1,927,597	\$1,927,597	
Direct Support/Indirect Cost (7300-7399)	-\$1,390,894	-\$1,390,894	-\$1,390,894	
Other Adjustments	\$0	\$0	\$0	
TOTAL EXPENDITURES	\$455,778,940	\$440,081,872	\$451,806,984	
OPERATING SURPLUS (DEFICIT)	-\$24,904,945	-\$21,047,111	-\$32,369,596	
TRANSFERS IN & OTHER SOURCES (8910-8979)	\$0	\$0	\$0	
TRANSFERS OUT & OTHER USES (7610-7699)	-\$1,705,797	-\$1,205,797	-\$1,205,797	
CONTRIBUTIONS (8980-8999)	\$0	\$0	\$0	
CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE	-\$26,610,742	-\$22,252,908	-\$33,575,393	
BEGINNING BALANCE	\$79,502,426	\$52,891,684	\$30,638,776	
CURRENT-YEAR ENDING BALANCE	\$52,891,684	\$30,638,776	-\$2,936,617	
COMPONENTS OF ENDING BALANCE:				
Reserved Amounts (9711-9740)	\$13,540,301	\$12,214,485	\$10,435,688	
Reserved for Economic Uncertainties - Unrestricted (9789)	\$9,500,000	\$9,500,000	\$9,500,000	
Reserved for Economic Uncertainties - Restricted (9770)				
Board Designated Amounts (9780)	\$29,851,383	\$8,924,291		
Unappropriated Amounts - Unrestricted (9790)	\$0	\$0	-\$22,872,305	
Unappropriated Amounts - Restricted (9790)	\$0	\$0	\$0	

**J. IMPACT OF PROPOSED AGREEMENT ON UNRESTRICTED RESERVES****1. State Reserve Standard**

		2012-13	2013-14	2014-15
a.	Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement)	\$457,484,737	\$441,287,669	\$453,012,781
b.	State Standard Minimum Reserve Percentage for this District <u>2%</u> enter percentage:	2%	2%	2%
c.	State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a, times Line b, OR \$50,000	\$9,149,695	\$8,825,753	\$9,060,256

**2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)**

a.	General Fund Budgeted Unrestricted Designated for Economic Uncertainties (9789)	\$9,500,000	\$9,500,000	\$9,500,000
b.	General Fund Budgeted Unrestricted Unappropriated Amount (9790)	\$0	\$0	-\$22,872,305
c.	Special Reserve Fund (Fund 17) Budgeted Designated for Economic Uncertainties (9780)	\$0	\$0	\$0
d.	Special Reserve Fund (Fund 17) Budgeted Unappropriated Amount (9780)	\$0	\$0	\$0
g.	Total Available Reserves	\$9,500,000	\$9,500,000	-\$13,372,305
h.	Reserve for Economic Uncertainties Percentage	2.1%	2.2%	-3.0%

**3. Do unrestricted reserves meet the state minimum reserve amount?**

2012-13	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
2013-14	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
2014-15	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

**4. If no, how do you plan to restore your reserves?**

N/A

**5. If the total amount of the adjustment in Column 2 on Page 4 does not agree with the amount of the Total Compensation Increase in Section A, Line 5, Page 1 (i.e., increase was partially budgeted), explain the variance below:**

**6. Please include any additional comments and explanation of Page 4 if necessary: N/A**

**K. SALARY NOTIFICATION REQUIREMENT**

The following section is applicable and should be completed when any Salary/Benefit Negotiations are settled after the district's final budget has been adopted.

**COMPARISON OF PROPOSED AGREEMENT TO CHANGE IN DISTRICT BASE REVENUE LIMIT**

(a) Current-Year Base Revenue Limit (BRL) per ADA: (obtain from the County Office-provided Revenue Limit run, Form RL, Line 4)	\$ <u>6713.90</u> (Estimated)
(b) Prior-Year Base Revenue Limit per ADA: (Form RL, Line 1)	\$ <u>6501.90</u> (Actual)
(c) Amount of Current-Year Increase: (a) minus (b)	\$ <u>212</u>
(d) Percentage Increase in BRL per ADA: (c) divided by (b)	3.261%
(e) Deficit: (Form RL, Line 9-a)	<u>0.7769</u> %
(f) Percentage Increase in BRL after deficit:	-2.00%
(g) Total Compensation Percentage Increase from Section A, Line 5, Page 1 for Current year (Year 1)	1.30%

**L. CERTIFICATION NO. 1: CERTIFICATION OF THE DISTRICTS ABILITY TO MEET THE COSTS OF COLLECTIVE BARGAINING AGREEMENT**

The disclosure document must be signed by the district Superintendent and Chief Business Officer at the time of public disclosure.

In accordance with the requirements of Government Code Section 3547.5, the Superintendent and Chief Business Officer of Elk Grove Unified School District (District), hereby certify that the District can meet the costs incurred under the Collective Bargaining Agreement between the District and the California School Employees Association (CSEA), during the term of the agreement from July 1, 2012 to June 30, 2013.

The budget revisions necessary to meet the costs of the agreement are as follows:

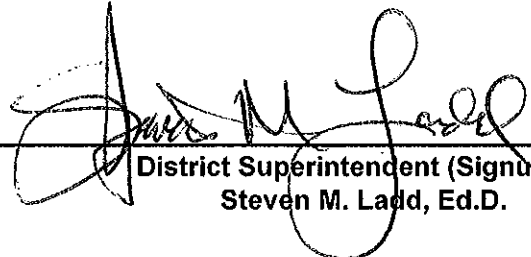
**Budget Adjustment Categories:**

**Revenues/Other Financing Sources**  
**Expenditures/Other Financing Uses**  
**Ending Balance Increase (Decrease)**

**Budget Adjustment  
Increase (Decrease)**

0  
0  
0

X  (No budget revisions necessary)

  
\_\_\_\_\_  
District Superintendent (Signature)  
Steven M. Ladd, Ed.D.

9/11/12  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Chief Business Officer (Signature)  
Rich Fagan

9/11/12  
\_\_\_\_\_  
Date

**M. CERTIFICATION NO. 2**

The disclosure document must be signed by the district Superintendent or designee at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement.

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code Section 3547.5.

\_\_\_\_\_  
**District Superintendent (Signature)**  
Steven M. Ladd, Ed.D.

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
Shannon Stenroos, Budget Manager  
**Contact Person**

\_\_\_\_\_  
(916) 686-7769 x 7667  
**Phone**

After public disclosure of the major provisions contained in this summary, the Governing Board at its meeting on September 18, 2012, took action to approve the proposed Agreement with the California School Employees Association (CSEA).

\_\_\_\_\_  
**President (or Clerk), Governing Board**  
**(Signature)**

\_\_\_\_\_  
**Date**



# **ATTACHMENT**

***September 18, 2012***  
**Board Meeting**

**If you would like a copy of  
Attachment Item 14, please  
contact the Superintendent's  
Office at 686-7700**

# **ATTACHMENT**

*September 18, 2012*  
**Board Meeting**

**Revision to  
Agenda Item  
# 15**

**Resolution to Support  
Schools & Local Public Safety Protection Act (Proposition 30)**

**Resolution No.10, 2012-13**

WHEREAS, the Elk Grove Unified School District Board of Education is committed to making policy and financial decisions that enable the school district to provide quality educational programs and services to the school-age children of our community; and

WHEREAS, since the onset of the state's fiscal crisis in 2008, public schools statewide have experienced unprecedented funding reductions and apportionment deferrals totaling more than \$20 billion; and

WHEREAS, California public schools now rank 47<sup>th</sup> out of the 50 states in per-pupil spending. Moreover, more than 40,000 educators have been laid off from California public schools since 2008, impacting the quality of the educational programs delivered to students; and

WHEREAS, the Elk Grove Unified School District has implemented the following cuts, among many others, since the 2008-09 school year in order to stay fiscally solvent: increased class sizes; delayed textbook adoptions; reduced district-wide supply budgets; reduced elementary workbook allocation to curriculum; discontinued funding MESA; eliminated school site computer support technicians; reduced district-level administrative assistants; reduced grounds; reduced research and evaluation; reduced fiscal services; reduced secondary counseling services; reduced clerk position at year-round school sites; eliminated secondary library techs; eliminated elementary library techs; reduced interscholastic athletic programs (eliminated freshman male and female sports); reduced elementary vice principals; reduced middle school vice principals; reduced high school vice principals; reduced RSP and Learning Center paraprofessionals by 50% in special education; reduced district office clerical; furlough days in 2009-10; furlough days in 2010-11; and

WHEREAS, the 2012-13 state budget is predicated on voter approval in November 2012 of the Schools & Local Public Safety Protection Act (Proposition 30), without which schools will not receive additional revenue but will receive mid-year funding reductions that will result in additional cuts in services and programs to students; and

WHEREAS, Proposition 30 will direct billions of dollars to public schools, providing an important short-term funding solution that may allow for the restoration of some student programs and services; and

BE IT RESOLVED that the Elk Grove Unified School District proudly supports CSBA in urging the Legislature to work with CSBA and other education leaders to identify long-term adequate funding solutions for public schools; and

BE IT FURTHER RESOLVED, that this body, the Elk Grove Unified School District supports the passage of Proposition 30 because it provides needed revenue to public schools and will specifically benefit the district for the reasons described herein.

**Resolution No. 10, 2012-13 (Continued)**

Adopted by the Governing Board of the Elk Grove Unified School District on September, 18, 2012, by the following vote of the Board:

Ayes:

Noes:

Abstain:

Absent:

Chet Madison, Sr., President  
Board of Education

# **ATTACHMENT**

***September 18, 2012***  
**Board Meeting**

**Agenda Item**  
**# 26**

August 24, 2012

Dr. Steven Ladd, Ed. D  
Elk Grove Unified School District  
9510 Elk Grove – Florin Road  
Elk Grove, CA 95624

Re: Kaiser Permanente HealthWorks

Dear Dr. Ladd:

This letter agreement (“Agreement”) memorializes our previous discussions about the Kaiser Permanente HealthWorks services that Kaiser Foundation Health Plan, Inc. for the Northern California Region (“**Kaiser Permanente**” or “**KP**”) is providing or arranging for Elk Grove Unified School District (“**Group**”), on its own behalf and/or on behalf of its group health plan. Kaiser Permanente and Group are collectively the “**Parties**,” and each is a “**Party**.” The services provided or arranged for under this Agreement are described in Exhibits A (any combination of Exhibits A-1, A-2, A-3, etc.) and are referred to in this Agreement as the “**Services**.” The compensation from Group for the Services (“**Compensation**”) and the timing of the compensation are described in Exhibit B.

***INFORMATION NEEDED FROM GROUP:***

Group shall provide the information necessary for Kaiser Permanente to perform its obligations (the “**Required Materials**,” as described in Exhibits A) under this Agreement. Kaiser Permanente shall have the right, and Group shall obtain all third party rights necessary for Kaiser Permanente, to copy, modify, and otherwise use Required Materials and any other content, information, records, and materials provided by or for Group to Kaiser Permanente for the purpose of Kaiser Permanente performing its obligations and exercising its rights under this Agreement. If Kaiser Permanente does not receive the Required Materials in the specific manner and according to the terms set forth in this Agreement, Kaiser Permanente shall be under no obligation to provide the Services which require such Required Materials.

***SERVICES AVAILABLE TO GROUP PARTICIPANTS***

Services shall be available to certain Group participants, as specifically indicated for each Service described in the various Exhibits A attached to this Agreement. Group participants include the following categories of participants:

Category of Group Participant	Description
1. KP-Subscribers	Group employees who are members of a KP health plan offered by Group (referred to as “ <b>KP-Subscribers</b> ”)
2. KP-Subscriber-Dependents	KP-Subscribers’ dependents who are members of a KP health plan offered by Group, in accordance with such dependents’ eligibility for such Services (referred to as “ <b>KP-Subscriber-Dependents</b> ”)

<b>Category of Group Participant</b>	<b>Description</b>
3. Non-Subscribers	Group employees who are not members of a KP health plan offered by Group (referred to as “ <b>Non-Subscribers</b> ”)
4. Non-Subscriber-Dependents	Non-Subscribers’ dependents and KP-Subscribers’ dependents who are not members of a KP health plan offered by Group, in accordance with such dependent’s eligibility for such Services (referred to as “ <b>Non-Subscriber-Dependents</b> ”)

The eligibility for any particular category of Group participant to access Services may vary by Exhibit and potentially within an Exhibit, and each Exhibit will control as to the availability of a Service to a particular Group participant.

### ***TIMING OF SERVICES***

Services shall commence on July 1, 2012 and shall continue through June 30, 2013.

### ***SERVICES UNDER AGREEMENT***

The Services are not regulated health plan benefits covered by Kaiser Permanente when offered in the manner described in this Agreement. Where applicable, Group retains all responsibility for its group health plan’s compliance with the Employment Retirement Income Security Act (ERISA) and its implementing regulations.

### ***AUTHORIZATIONS/CONSENTS NEEDED:***

Group shall obtain and maintain any consents, releases, waivers, approvals and other documents or authorizations required from or by each employee (or other participant) of Group or any other person or organization affiliated or contracted with Group in order for Group to release the information, data and documents to Kaiser Permanente and its vendors needed for Kaiser Permanente and such vendors to perform the Services. This includes, without limitation, any authorizations Group may need to obtain from an employee based on an agreement between Group and such employee, any privacy policy or other policies of Group, or applicable law.

### ***REPORTS OR OTHER DATA TO GROUP ONLY FOR GROUP’S INTERNAL USE***

Group acknowledges that, as between the Parties, Kaiser Permanente shall have all right, title and interest in and to: (a) all content, materials, reports, software and documentation, and any other works of authorship, analytical methodologies, data organization, processes, concepts, systems, know-how, ideas, inventions, and other technology, whether or not confidential, related to the Services, (b) all enhancements, modifications, improvements or derivatives to the foregoing (whether or not created by Kaiser Permanente, alone or with others), and (c) all intellectual property rights related to the foregoing (collectively (a), (b) and (c) are referred to as the “**Kaiser Permanente Proprietary Materials**”). Group shall not acquire any proprietary rights or licenses in the Kaiser Permanente Proprietary Materials. In accordance with applicable law, Kaiser Permanente may use aggregated data and information collected in providing the Services.

Kaiser Permanente grants to Group a non-exclusive, non-assignable, non-sublicenseable, non-transferable right to use any Kaiser Permanente Proprietary Materials delivered to it by Kaiser Permanente solely in connection with this Agreement. Upon the expiration or termination of this Agreement for any reason, Group shall have a non-exclusive, non-assignable, non-sublicenseable, non-transferable right to continue to use the reports containing data furnished by Kaiser Permanente to

Group under this Agreement. At all times, Group's use of the Kaiser Permanente Proprietary Materials is subject to and conditioned on Group's compliance with the terms and conditions of this Agreement.

## **GENERAL PROVISIONS**

Group and Kaiser Permanente each recognize that the other Party and its affiliates own or have the license to use certain logos, trademarks, service marks and trade names that identify the other Party and its affiliates and contractors and its and their products and services ("**Marks**"). All goodwill resulting from use of a Party's and its affiliate's and contractor's Marks shall inure solely to that Party, its affiliates or contractors, as applicable. Neither Party has acquired, and shall not acquire, any right, title or interest in or to the other Party's or its affiliate's or contractor's Marks. Each Party and its affiliates shall not register or attempt to register the Marks or any trademark or service mark confusingly similar to the Marks of the other Party, its affiliates or contractors, and shall retain the exclusive right to apply for and obtain registrations for its Marks and those of its affiliates throughout the world.

Each Party shall perform its obligations under this Agreement in a manner in accordance with all applicable laws and regulations. Each Party shall cooperate and participate in any activities reasonably necessary to assist the other Party in any review or examination of the other Party by any federal, state or local governmental agency, at the other Party's expense. Such cooperation and participation shall include, without limitation, cooperation with reviews and audits of paper, electronic, or other files, except to the extent inconsistent with applicable law.

This term of this Agreement runs from the date specified on page two through June 30<sup>th</sup> of the year specified on page two. If Services are still in process at the time of expiration of the term, the Agreement shall continue until the Services are fully performed. Either Party may terminate this Agreement with or without cause, upon 30 days written notice to the other Party.

All notices, consents, requests, demands or other communications to or upon the respective Parties shall be in writing and shall be effective for all purposes upon receipt, including without limitation, in the case of (i) personal delivery, (ii) delivery by messenger, express or air courier or similar courier, (iii) delivery by United States first class certified or registered mail, postage prepaid and (iv) transmittal by facsimile, addressed to the respective address provided on the signature page. Changes in address shall be communicated pursuant to this paragraph. Each Party may use affiliates, consultants or other contractors (together, "**Delegates**") in connection with the performance of its obligations and the exercise of its rights under this Agreement, provided that such Delegate shall be subject to those obligations applicable to such Party that are relevant to activities performed by Delegate.

This Agreement shall be solely and exclusively governed, construed and enforced in accordance with the laws of the State of California without reference to conflict of laws principles. In the event that any action or proceeding is brought in connection with this Agreement, then, following the final judgment for such action or proceeding, the prevailing Party shall be entitled to recover its costs and reasonable attorneys' fees.

This Agreement contains the complete understanding between Kaiser Permanente and Group with respect to the subject matter of this Agreement. No changes, amendments, cancellation, or modification to this Agreement shall be effective unless signed by duly authorized representatives of both Parties. All Exhibits as may be described in this Agreement and attached to this Agreement at the time of execution are incorporated into this Agreement by this reference.

Please indicate your agreement with the terms of this Agreement by signing the enclosed copy of this Agreement and returning it to Julia Marton at 300 Lakeside Drive, 26<sup>th</sup> floor 2675D, Oakland, CA 94612 or scan and email a copy to [Julia.r.marton@kp.org](mailto:Julia.r.marton@kp.org). This Agreement shall become effective as of



the date noted on page one, provided Kaiser Permanente receives a signed copy from Group within 30 days after the date noted on page one.

Very truly yours,

“Kaiser Permanente”

Kaiser Foundation Health Plan, Inc. (for the Northern California Region)

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Acknowledged and agreed to by:**

“Group”

**Elk Grove Unified School District**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A-1

### HEALTHMEDIA™ HEALTHY LIFESTYLE PROGRAMS AND REPORTING

#### 1. *Description of Program*

Healthy Lifestyle Programs are a series of evidence-based, web wellness tools that address total health, weight management and fitness, smoking cessation, stress reduction, nutrition, management of back pain, and management of chronic health conditions. Kaiser Permanente provides Healthy Lifestyle programs in collaboration with HealthMedia, Inc. (also called “HMI”).

**Healthy Lifestyle Programs include all of the following:**

- **HealthMedia Succeed™:** a total health assessment that offers a personalized assessment and action plan that will refer the participant to other wellness programs such as Balance™
- **HealthMedia Balance™:** offers strategies for reaching an ideal weight, helping participants to lose weight and keep it off
- **HealthMedia Breathe™:** presents strategies to help participants to quit smoking
- **HealthMedia Relax™:** provides strategies for relieving and preventing stress by taking the time to learn about specific individuals’ needs
- **HealthMedia Nourish™:** develops strategies for making smart and delicious food choices to increase energy, manage weight, and live a healthier, productive life
- **HealthMedia™ Care For Your Health™:** develops strategies for increasing a participant’s confidence to manage his/her health condition, as well as providing support and encouragement on living healthfully with a chronic condition
- **HealthMedia™ Care For Your Back™:** assists in evaluating a participant’s level of back pain and understanding how to control it
- **HealthMedia™ Care For Pain™:** develops strategies for chronic pain management
- **HealthMedia™ Care For Diabetes™:** develops strategies for diabetes management
- **HealthMedia™ Overcoming Insomnia™:** develops strategies for sleep promotion
- **HealthMedia™ Overcoming Depression™:** develops strategies for depression management
- Any other Healthy Lifestyle Programs offered from time to time

HealthMedia™ Healthy Lifestyle Programs are available to the following eligible Group participants (with the participant categories as defined in the Agreement):

Group participants Eligible for this Service		
X	KP-Subscribers	Benefit-Eligible
X	Non-Subscribers	Benefit-Eligible

#### **Reports for HealthMedia™ Programs:**

- **List of Participants Report.** Group may request that Kaiser Permanente provide a list of participants in the various HealthMedia™ Programs for purposes of administering a Rewards Program.
- **Participant Activity Report.** Group may request that Kaiser Permanente provide the aggregate number of participants in the HealthMedia™ Programs for a specified time range.

- **Executive Summary Reports.** Given a minimum sample of 100 Group participants, Group may request that Kaiser Permanente provide a Group-specific activity report for HealthMedia™ Programs that summarizes the number of participants and aggregate outcomes, all in accordance with applicable privacy requirements. For example:
  - The executive summary report for the **HealthMedia Succeed™** program addresses nine health risk factors such as body mass index.
  - The executive summary report for the **HealthMedia Balance™** program addresses the percent of participants who lost weight.
  - The executive summary report for the **HealthMedia Breathe™** program addresses the percent of participants who quit smoking.

## ***2. What needs to be supplied by Kaiser Permanente?***

Eligible KP-Subscribers will access the HealthMedia Succeed™ Total Health Assessment and Healthy Lifestyle Programs via the Kaiser Permanente website at [www.kp.org](http://www.kp.org) or via a microsite accessible through a Group website.

## ***3. What needs to be supplied by Group ("Required Materials")?***

Eligible Non-Subscribers will access the HealthMedia Succeed™ Total Health Assessment and Healthy Lifestyle programs directly via a microsite, and such access requires a lead time of eight weeks. Non-Subscribers will need to "sign on" initially by following the instructions on the microsite.

Feedback and input on communications, processes and other proposals shall be provided within timeframes to be agreed upon in a project schedule.

## EXHIBIT A-2

### ON-SITE BIOMETRIC SCREENINGS AND SERVICES

#### 1. *Description of program*

With a minimum requirement of thirty (30) Group participants, Kaiser Permanente will provide the on-site screenings and services described below.

##### **Biometric Screenings:**

- ☐ **Total Cholesterol and High Density Lipoprotein (HDL) Screening** – will inform participants of their Cholesterol and HDL results and where their cholesterol ratios are relative to the desirable range.
- ☐ **Glucose Screening (Random or Fasting)** – will inform participants of the desirable range for glucose results (depending on whether the participant has fasted or not) and where their results are relative to this range.
- ☐ **Blood Pressure Screening** – will inform participants of the desirable range for blood pressure results for their age and where their results are relative to their targeted blood pressure.
- ☐ **Body Mass Index (BMI) Screening** – will inform participants of the desirable range for BMI (based on self-reported height and weight) for their age and where their results are relative to this range. *(Note: This screening is not available on a stand-alone basis, but is available in combination with other screenings.)*
- ☐ **Body Composition Screening** – will inform participants of the desirable range for overall body composition measures (such as percent body fat and BMI) and where their results are relative to this range.

On-site biometric screenings and services are available to the following eligible Group participants (with the participant categories as defined in the Agreement):

<b>Group participants Eligible for this Service</b>		
X	KP-Subscribers	Benefit-Eligible
X	Non-Subscribers	Benefit-Eligible

#### 2. *What needs to be supplied by Kaiser Permanente?*

Kaiser Permanente will provide on-site biometric screenings and services, as mutually agreed by the Parties.

#### 3. *What needs to be supplied by Group (“Required Materials”)?*

Group will provide the site location and other identified hardware, as well as at least 6 weeks advance notification of the date the on-site screenings and services are to take place.

## EXHIBIT A-6

### REWARDS PROGRAM

#### 1. Description of program

Kaiser Permanente has arranged through a rewards administrator to provide debit/retail gift cards, merchandise, to certain participants who complete selected health and wellness programs. In addition, the rewards administrator provides data reporting to facilitate rewards programs administered by Group. All these activities are referred to as “Rewards.”

#### **SUMMARY OF REWARDS CHOSEN BY GROUP:**

X	Reward 1: Completion of HealthMedia Succeed™ Total Health Assessment
X	Reward 6: Bulk prepaid debit gift cards for distribution by Group for biometric screenings participation drawings and individual and team rewards for activity challenges: Thrive Across America and Mix it Up

#### **DETAILS FOR REWARDS CHOSEN BY GROUP:**

##### ***Reward 1: Completion of HealthMedia Succeed™ Total Health Assessment***

Participants who are 18 years or older may earn a \$50 Reward for completing the HealthMedia Succeed™, Total Health Assessment online program. To be eligible for this Reward, Group’s eligible participants must complete the Total Health Assessment online.

Reward 1 is available to the following eligible Group participants (with the participant categories as defined in the Agreement):

<b>Group participants Eligible for Reward 1</b>		
X	KP-Subscribers	Benefit-Eligible
X	Non-Subscribers	Benefit-Eligible

Reward 1 will be delivered in the following format:

X	Format 1: As a debit/retail gift card automatically delivered to a Group participant
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##### ***Reward 6: Bulk Prepaid Debit Gift Cards for Distribution by Group***

Group may purchase bulk prepaid debit cards and a standard six month expiration after activation, to distribute as it wishes. Group will purchase the following prepaid debit cards in the following denominations, to be mailed directly to Group.

<b>Denomination of debit cards</b>	<b>Number of debit cards of this denomination</b>
\$150 reward cards as drawing prize for completion of biometric screenings	25 reward cards per location
\$2,400 total for team competition winners of the Thrive Across America Program	30 reward cards (10 per team)
\$2,400 total for team competition winners of the Mix it Up Program	30 reward cards (10 per team)

#### **OTHER INFORMATION ABOUT THE REWARDS PROGRAM:**

Each eligible Group participant is limited to Rewards totaling no more than \$400 per year.

A notice with the following language shall be included in the delivery of each Rewards card:

***“Rewards may be taxable. Participants who earn rewards are responsible for any applicable taxes due on the amounts received. For additional information regarding any potential taxes associated with this card, please consult your tax professional.”***

#### **2. What needs to be supplied by Kaiser Permanente?**

Launch of Rewards shall occur on August 1, 2012 and shall continue until May 31, 2013.

#### **3. What needs to be supplied by Group (“Required Materials”)?**

If Group wishes to extend a Rewards Program beyond the initial dates, Group must request the extension from KP in writing and allow up to 30 business days after its request to implement the extension. If Group wishes to end a Rewards Program early, Group must request the early cessation of the Rewards Program from KP in writing and allow up to 60 business days after its request to implement program cessation. In addition, Group must communicate the cancellation to eligible participants and must honor any Rewards accrued up until the date the Agreement is terminated or expires or, if Group has requested early cessation of a Rewards Program, until 60 business days after Group’s request for early cessation.

## EXHIBIT A-7

### CUSTOMIZED COMMUNICATIONS

#### ***1. Description of program***

Kaiser Permanente, in collaboration with Group, will launch and implement a communications campaign to promote some or all of the wellness Services available to Group's participants – for example, communication about the various online Healthy Lifestyle Programs, on-site services (biometric screenings, health promotion classes, and flu clinics), Thrive Across America online physical activity program, and any associated Rewards programs. The campaign will launch on the date specified in Section 2 of this Exhibit.

**Choice of customized communications includes the following:**

<b>Customized Communication Tools</b>	<b>Description</b>
<input type="checkbox"/> <i>Flyers</i>	Handout at health fairs
<input type="checkbox"/> <i>Posters</i>	Display at locations
<input type="checkbox"/> <i>Email</i>	Forward-ready email to promote HealthWorks programs and activities

**The chart below summarizes Group's desires for customized communications:**

<b>Wellness Service to be Promoted</b>	<b>Type of Customized Communication</b>	<b>Categories of Eligible Participants (as described in Agreement)</b>
<i>Example: All Healthy Lifestyle Programs</i>	<i>Example: Banner at Group's work site</i>	<i>Example: KP-Subscribers and Non-Subscribers only (i.e., no dependents)</i>
<b>General Wellness Information</b>	<b>Laminated Posters to live in Breakrooms</b>	<b>KP Subscribers and Non-Subscribers</b>
<b>Biometric Screenings</b>	<b>TBD</b>	<b>KP Subscribers and Non-Subscribers</b>
<b>Total Health Assessment Reward</b>	<b>TBD</b>	<b>KP Subscribers and Non-Subscribers</b>
<b>Thrive Across America</b>	<b>TBD</b>	<b>KP Subscribers and Non-Subscribers</b>
<b>Mix it Up</b>	<b>TBD</b>	<b>KP Subscribers and Non-Subscribers</b>

2. *What needs to be supplied by Kaiser Permanente?*

Kaiser Permanente will supply the customized communications documented in the chart according to an agreed upon schedule, which may be modified from time to time. As of the Effective Date, the Parties have agreed upon a preliminary schedule:

<b>Program Name</b>	<b>Program Start Date</b>	<b>Program end Date</b>
<i>Example: Banner to promote Healthy Lifestyle Programs</i>	<i>Example: June 1, 2012</i>	<i>Example: August 31, 2012</i>
<b>Letter from Dr. Ladd</b>	<b>Fall 2012</b>	<b>Fall 2012</b>
<b>General Wellness Information</b>	<b>Year-Round</b>	<b>Year-Round</b>
<b>Biometric Screening and THA Announcement Flyers</b>	<b>TBD</b>	<b>TBD</b>
<b>Teaser Communication for Thrive Across America</b>	<b>TBD</b>	<b>TBD</b>
<b>Thrive Across America communications</b>	<b>TBD</b>	<b>TBD</b>
<b>Mix it Up communications</b>	<b>TBD</b>	<b>TBD</b>

\*Based on budget assessment after first round of screenings

3. *What needs to be supplied by Group ("Required Materials")?*

Group approval of communications

Electronic copy of company logo in gif, tif or high resolution PDF



## EXHIBIT A-10

### THRIVE® ACROSS AMERICA<sup>SM</sup> EXERCISE PROGRAM AND REPORTING

#### 1. Description of program

In collaboration with Health Enhancement Systems, Kaiser Permanente offers the Thrive® Across America<sup>SM</sup> Exercise Program. This online program is designed to increase the physical activity of Group's workforce, which promotes improved health and productivity. The Thrive® Across America<sup>SM</sup> Exercise Program is available to all of Group's employees (KP-Subscribers and Non-Subscribers).

The product has two components:

- **Individual program** – Participants log their daily exercise online (including the date, number of minutes, and type of exercise). The minutes of exercise are converted to a distance measure, and the participants are able to view their progress along a virtual trail across America. Along the way, participants view national parks and attractions, while learning about different types of physical activity. Once the participants complete the trail (approx 8-16 weeks), they can continue to track their activity and travel the route as many times as they like throughout the year. In addition, participants receive email tips and prompts on physical activity and healthy eating.
- **Team competition** – An optional team participation component reinforces a lasting exercise habit with a fun, friendly competition that emphasizes consistency over athleticism, thereby increasing chances for success. Teams and participants can track their progress compared to other teams during an 8 week competition.

Group may choose the level of customization of the Thrive® Across America<sup>SM</sup> Exercise Program and the website through which participants access it: [Check one]

	Standard Program	Standard Program and limited customization of the website, i.e., addition of Group branding (logo)
X	Custom Program	More flexibility in modifying the Program, e.g., team size and length of team competition, and customizing website, e.g., addition of Group branding (logo), customized welcome page pop-up messages, and customized registration page messages

#### Reports for the Thrive® Across America<sup>SM</sup> Exercise Program:

- **Participation Report:** Provides a list of participants in the program and their activity level.
- **Activity Comparison Report:** Provides an aggregate report on participants' increase in activity level by departments, teams, etc.
- **Participant Evaluation Report:** Provides an aggregate report on participants' activity improvements and satisfaction with the program.
- **Team Performance Report:** Provides a list of teams and shows how teams are progressing relative to each other.

**2. *What needs to be supplied by Kaiser Permanente?***

Kaiser Permanente provides a unique URL for participants to access the Thrive® Across America<sup>SM</sup> Exercise Program, which allows registration, participation and tracking of results. Participants may access the URL either through the KP HealthWorks company microsite or via the Group's own microsite. Additionally, Kaiser Permanente will provide an Implementation Guide for the Group's program coordinator to use as a step-by-step guide for how to promote, launch and close the program. Kaiser Permanente will make available standard promotional tools via a print on-demand online service for a fee.

**3. *What needs to be supplied by Group ("Required Materials")?***

Group will be required to provide information for the Thrive® Across America<sup>SM</sup> Onboarding Form that includes Group information (such as company web site address and number of eligible participants) and specific program parameters (such as registration and program start date, customization options depending on the product type selected, etc..)

## EXHIBIT A-11

### MIX IT UP<sup>SM</sup> ONLINE NUTRITION PROGRAM AND REPORTING

#### 1. Description of program

In collaboration with Health Enhancement Systems, Kaiser Permanente offers the Mix It Up<sup>SM</sup> Online Nutrition Program. The goal of the program is to encourage participants to eat at least 5 produce servings each day, with a minimum of 3 vegetables across a spectrum of colors, in order to reduce the risk of obesity, heart disease, some cancers, diabetes, and hypertension while increasing energy.

Mix It Up<sup>SM</sup> Online Nutrition is available to the following eligible Group participants (with the participant categories as defined in the Agreement):

Group participants Eligible for this Service	
X	KP-Subscribers and Non-Subscribers (in other words, all employees)

The product has two components:

- **Individual program** – On an individual basis, participants log their daily produce consumption online. Consumption of produce is converted to a score based on a point system, with a vegetable serving equal to 2 points, a fruit serving equal to 1 point, and a “Top Choice” selection resulting in 1 extra bonus point. A Top Choice selection is a fruit or vegetable that offers extra health benefits, such as blueberries, broccoli, pumpkin, spinach and tomatoes. Participants’ goal is to achieve at least 40 points per week of produce consumption.
- **Team competition** – An optional team participation component reinforces individual produce consumption with a fun, friendly competition that emphasizes consistency, thereby increasing chances for success. Teams and participants can track their progress compared to other teams during an 8 week competition (or an 8-12 week competition for custom programs). Custom programs may also purchase a second team competition within a program year.

Group may choose the level of customization of the Mix It Up<sup>SM</sup> Online Nutrition Program and the website through which participants access it:

	Standard Program	<ul style="list-style-type: none"> <li>• One year access</li> <li>• Individual and Team option</li> <li>• Branded Website</li> <li>• Mobile application for iPhone and Android</li> <li>• Certification of participation for participants</li> </ul>
X	Custom Program	<ul style="list-style-type: none"> <li>• All the features of the Standard Program, plus:</li> <li>• Option to offer second team competition in the same program year</li> <li>• Welcome page, pop-up and email messages</li> <li>• Registration page message</li> <li>• Registration survey questions</li> <li>• Customization of length of team competition (8-12 weeks)</li> <li>• Customization of individual program and team</li> </ul>

	competition start dates
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### Reports for the Mix It Up<sup>SM</sup> Online Nutrition Program:

- **Participation Report:** Provides a list of participants in the program and their produce consumption.
- **Activity Comparison Report:** Provides an aggregate report on participants' increase in produce consumption by departments, teams, etc.
- **Participant Evaluation Report:** Provides an aggregate report on participants' produce consumption and satisfaction with the program.
- **Team Performance Report:** Provides a list of teams and shows how teams are progressing relative to each other.

### 2. *What needs to be supplied by Kaiser Permanente?*

Kaiser Permanente provides a unique URL for participants to access the Mix It Up<sup>SM</sup> Online Nutrition Program, which allows registration, participation and tracking of results. Participants may access the URL either through the KP HealthWorks company microsite or via the Group's own microsite. Additionally, Kaiser Permanente will provide an Implementation Guide for the Group's program coordinator to use as a step-by-step guide for how to promote, launch and close the program. Kaiser Permanente will make available standard promotional tools via a print on-demand online service for a fee. There is also a free downloadable mobile application for iPhone and Android cellular phone users.

### 3. *What needs to be supplied by Group ("Required Materials")?*

Group will be required to provide information for the Mix It Up<sup>SM</sup> Online Nutrition Program Onboarding Form that includes Group information (such as company web site address and number of eligible participants) and specific program parameters (such as registration and program start date, customization options depending on the product type selected, etc..)

## EXHIBIT B COMPENSATION

### **Fees for HealthMedia™ Programs and Reports (Exhibit A-1)**

There is no charge for HealthMedia™ programs for KP-Subscribers and KP-Subscriber-Dependents.

If HealthMedia™ programs are available for Non-Subscriber, the charges include:

- A one-time set up fee of \$1000 per Group
- A monthly fee of \$0.07 per eligible Non-Subscriber and Non-Subscriber-Dependent (However, if this fee has already been paid for Non-Subscribers and Non-Subscriber-Dependents related to Rewards, such fees shall not be duplicated for HealthMedia™ programs.)
- An administrative fee of 20% of the combined set up and monthly fees -- for formatting and maintaining necessary electronic files required to administer HealthMedia™ programs

With a minimum of 100 Group participants in each applicable HealthMedia™ program, there is no additional charge for the corresponding HealthMedia™ Participant Report or the corresponding Executive Summary Report.

### **Fees for On-site Biometric Screenings and Services (Exhibit A-2)**

The table below details the prices of onsite biometric screenings and services and applies uniformly to all categories of Group participants.

<b>On-site Screenings &amp; Services</b>	
<b>Screening Packages</b>	
Total cholesterol, HDL, cholesterol ratio, glucose, blood pressure, pulse rate, body composition, and BMI (using self-reported height & weight)	\$40 per participant
<b>PRICING &amp; SCHEDULING GUIDELINES FOR SCREENINGS &amp; SERVICES</b>	
<b>FEES</b> <ul style="list-style-type: none"> <li>▪ Total fees may vary by event, based on actual participation, event duration, staffing, event hours, travel fees, etc. Total event cost will be provided when event is scheduled.</li> <li>▪ Screenings priced on a per participant basis require a 30-participant minimum, except flu vaccination clinics which require a 40-participant minimum.</li> <li>▪ Screenings will be charged minimum of 30 participants (40 for flu vaccination clinics) or 80% of the original estimated event fee, whichever is greater, plus travel and shipping fees if applicable. In some cases, depending on provider, participation minimums may be waived if, when reservation is made, Group elects to pay a \$295 small clinic fee plus actual per participant charges. If estimated participation at time of reservation exceeds minimum, the small clinic fee option is not available.</li> <li>▪ All screenings, whether priced hourly or per participant, are subject to a 4-hour minimum, billed at \$75 per staff hour. The full hourly rate will be charged for any partial hour. This requirement may be waived if the small clinic fee (as described above) is available and has been elected.</li> <li>▪ Additional staffing fees apply to services provided weekdays 6 p.m -7 a.m. and any time during weekends.</li> <li>▪ Additional fees may apply if Group requests non-standard event duration and/or non-standard staffing levels. Such additional fees will be quoted when event is scheduled.</li> </ul>	
<b>SCHEDULING GUIDELINES</b> <ul style="list-style-type: none"> <li>▪ All services must be scheduled at least 6 weeks in advance. Schedule requests submitted with less than 6 weeks' notice will be accommodated if possible, but are not guaranteed.</li> <li>▪ A \$295 short-notice fee will be charged for events that are scheduled with less than 4 weeks' notice, plus premium</li> </ul>	

freight charges if applicable.

- If number of participants or event duration is increased within 10 business days of event, \$275 per additional required personnel will be charged, plus premium freight charges if applicable.

#### **CANCELLATION & RESCHEDULING**

- If a confirmed event is cancelled or rescheduled 11-20 business days before event, 15% of the total estimated event fees will be charged. If a confirmed event is cancelled or rescheduled within 10 business days of event, 50% of the total estimated event fees will be charged.
- If an extended program (5 or more events scheduled in combination) is cancelled or rescheduled 20 business days or fewer before the first event, 15% of total extended program fees will be charged.
- A \$295 short-notice fee will be charged for events that are rescheduled less than 4 weeks before event date, plus premium freight charges if applicable.

#### **TRAVEL EXPENSES**

- In some cases, travel expenses may apply, depending on event location. Travel fees will be quoted when event is scheduled.

### **Fees for Rewards (Exhibit A-6)**

Fees for Rewards apply uniformly to all four categories of Group participants. A fee of \$0.07 applies per Group participant eligible for Rewards. (However, if this fee has already been paid for Non-Subscribers and Non-Subscriber-Dependents related to HealthMedia™ Healthy Lifestyle Programs, such fees shall not be duplicated for Rewards.)

Fees for Reward cards through the rewards administrator include the face value of the Reward card, the applicable fulfillment fee, and applicable shipping charges, as detailed in the chart below.

<b>Type of Reward Card</b>	<b>Fulfillment Fees</b>	<b>Shipping Fees*</b>
Prepaid Visa Reward Card	\$4.50 per Card, with expiration 90 days after the date the Card is shipped (unless otherwise required by law)	Standard US Postal Service First Class fees also apply (for up to 4 Reward Cards shipped together)
Bulk-ordered Prepaid Rewards Cards through MasterCard	\$3.25 per order shipped, with expiration 180 days after the date the Cards are activated (unless otherwise required by law)	Standard ground shipping charges also apply. Varies by national carrier.

\* Notes on shipping fees: Only four Reward cards fit within the standard shipping container, so the shipping fee is incurred for each shipping container. If different types of Reward cards are selected (e.g., Retail Reward Card and Prepaid Visa), they are shipped separately, so a separate shipping fee applies for each type of Reward card shipped.

### **Fees for Customized Communications (Exhibit A-7)**

Fees for Customized Communications apply uniformly to all four categories of Group participants.

Prices for customized communications vary depending on volume and type of communications pieces. HealthWorks will work with the Group to develop a price quote for the customized communications desired by Group.

Customized Tactic List	For 5,969 eligible employees
Handout Flyers	\$11,000
Posters	
Use of Existing Forward-ready Emails (KP does not blast)	

#### **Fees for Thrive® Across America<sup>SM</sup> (TAA) Exercise Program and Reports (Exhibit A-10)**

Group pays an annual license fee based on the number of eligible KP-Subscriber and Non-Subscriber employees (PEPY = per employee per year). For purposes of determining fees, all of Group's employees are counted, whether or not the employee is a KP Subscriber.

<b><u>TAA Custom Pricing</u></b>		
<b><u>Group Size</u></b>	<b><u>PEPY</u></b>	<b><u>Cost per Employer Group</u></b>
50 – 250	N/A	\$2,500
251 – 500	N/A	\$2,500
501 – 1,000	N/A	\$2,500
1,001 – 3,000	\$2.50	\$2,503 - \$7,500
3,001 – 5,000	\$2.50	\$7,503 - \$12,500
5,001 – 10,000	\$2.00	\$10,002 - \$20,000
10,001 – 20,000	\$2.00	\$20,002 - \$40,000
20,001 – 30,000	\$2.00	\$40,002 - \$60,000
30,001 – 50,000	\$1.50	\$45,002 - \$75,000
50,001 – 75,000	\$1.50	\$75,002 - \$112,500
75,001+	\$1.50	\$112,500+

#### **Example**

- Group wants to offer the Standard TAA and has 2,543 eligible employees - \$2,543
- Group wants to offer the Custom TAA and has 2,543 eligible employees - \$6,358

Four standard reports (Participant Report, Activity Comparison Report, Participant Evaluation Report, and Team Performance Report) are available for no additional charge. Custom reports may be available through the Account Manager or HealthWorks Sales Consultant, as permitted by applicable law (including privacy laws).

#### **Fees for Mix It Up<sup>SM</sup> Online Nutrition Program and Reports (Exhibit A-11)**

Group pays an annual license fee based on the number of eligible participants, which include all KP-Subscribers and Non-Subscribers (in other words, all eligible employees). For purposes of determining fees, all of Group's eligible employees are counted, whether or not he/she is a KP Subscriber.

Group Size	Standard		Custom			
		(Cost/Eligible Employee)		(Cost/Eligible Employee)		(Cost/Eligible Employee)
50 – 1,000	N/A	\$1,000	N/A	\$2,500	N/A	\$2,950
1,001 – 5,000	\$1.00	\$1,001 – \$5,000	\$2.50	\$2,503 – \$12,500	\$0.45	\$2,953 – \$14,750
5,001 – 30,000	\$1.00	\$5,000 – \$30,000	\$2.00	\$10,002 – \$60,000	\$0.34	\$11,702 – \$70,200
30,001 – 75,000	\$1.00	\$30,001 – \$75,000	\$1.50	\$45,002 – \$112,500	\$0.23	\$51,902 – \$129,750
75,001+	\$1.00	\$75,001+	\$1.50	\$112,500+	\$0.23	\$129,752+

#### Example

- Group wants to offer the Standard TAA and has 2,543 eligible employees: \$2,543
- Group wants to offer the Custom TAA and has 2,543 eligible employees: \$6,358

Four standard reports (Participant Report, Activity Comparison Report, Participant Evaluation Report, and Team Performance Report) are available for no additional charge. Custom reports may be available through the Account Manager or HealthWorks Sales Consultant, as permitted by applicable law (including privacy laws).

In addition, a reconfiguration fee of up to \$1,000 may apply if Group changes the parameters of the program (e.g., resubmission of the Onboarding Form with changes in program dates or other content), and the program site and associated materials have already been configured.

#### 1. Credits

In connection with Kaiser Permanente's mission to promote wellness in the community, for Services provided during time period between July 1, 2012 and June 30, 2013, the following maximum credits will be applied toward Group's fees: \$500,000. Such Services include **non-member access to the Total Health Assessment, \$50 reward for completion of the Total Health Assessment, Biometric Screenings and incentives, Thrive Across America program and rewards, Mix it Up Program and rewards, and custom communications.**